2021 INVESTOR DAY

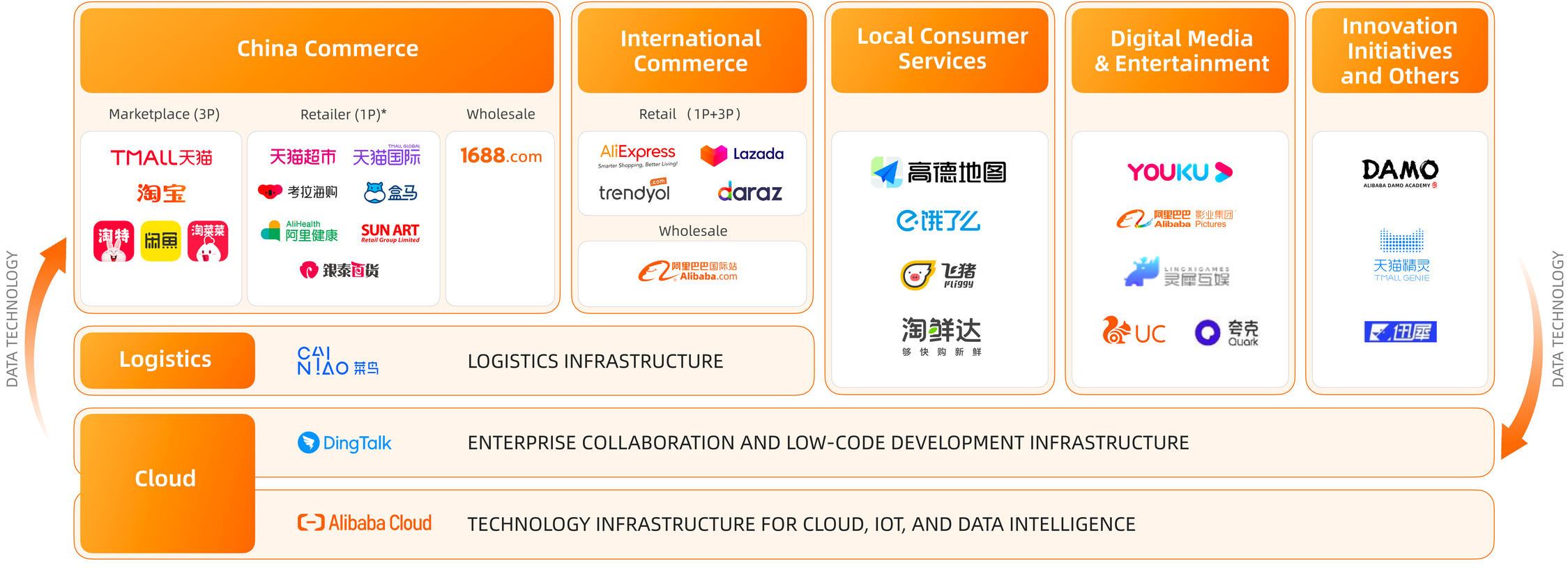
# Alibaba Group Strategy

Daniel ZHANG, Chairman and CEO

# Our Mission, Strategic Engines and Foundation

| | | | |
|---|---|---|---|
| **Our Mission** | To Make It Easy to Do Business Anywhere in the Digital Era | | |
| **Our Strategic Engines** | China Consumption | Globalization | Technology |
| **Our Foundation** | ESG | | |

# Our Business Overview




* Also have marketplace revenues

# Three Strategic Engines

01 | China Consumption

内需消费

02 | Globalization

全球化

03 | Technology

高科技

# We Have The Largest and Most Valuable Consumer Base in China

Annual Active Consumers ( “AACs” ) in China (1)

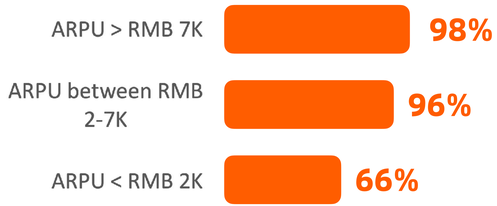
**953** Mn

YoY Net Adds **+125 Mn**

Average Annual Spending of AACs (ARPU) in China (2)

RMB **8.4K**

Retention Rate Across Consumer Cohorts(3)

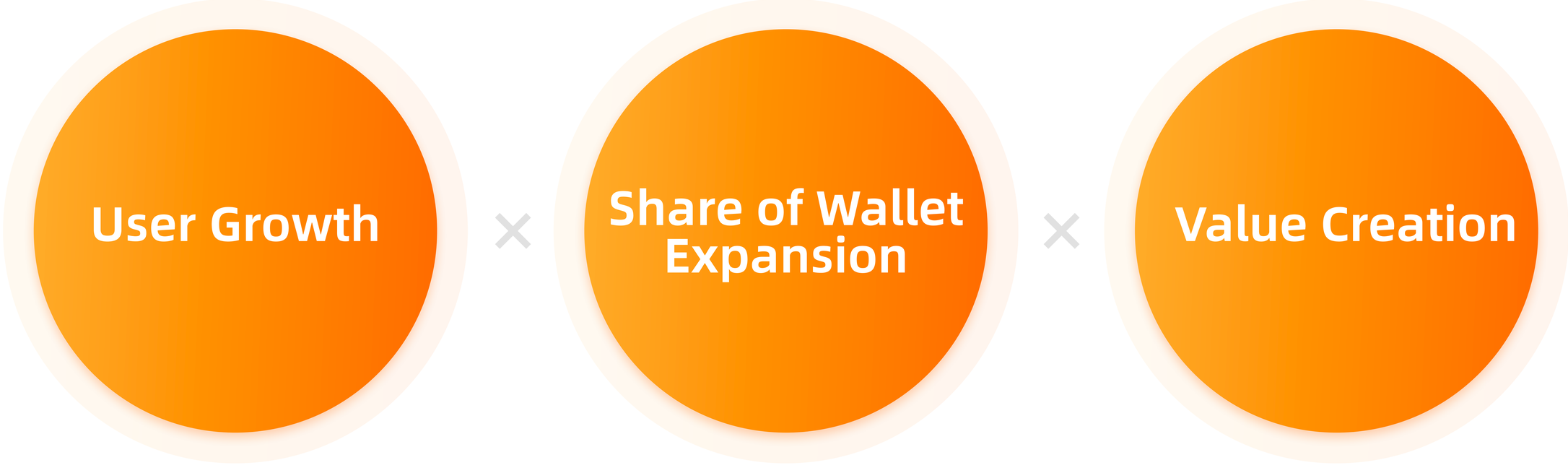



Notes:
1. For the twelve months ended September 30, 2021.
2. Represents average annual GMV per AAC of our consumer businesses in China for the twelve months ended September 30, 2021.
3. Represents the percentage of our China AACs in the respective cohorts for the twelve months ended September 30, 2020 who continued to transact on our China consumer platforms in the twelve months ended September 30, 2021.

# Our Comprehensive Offering with Differentiated Consumer Mindset

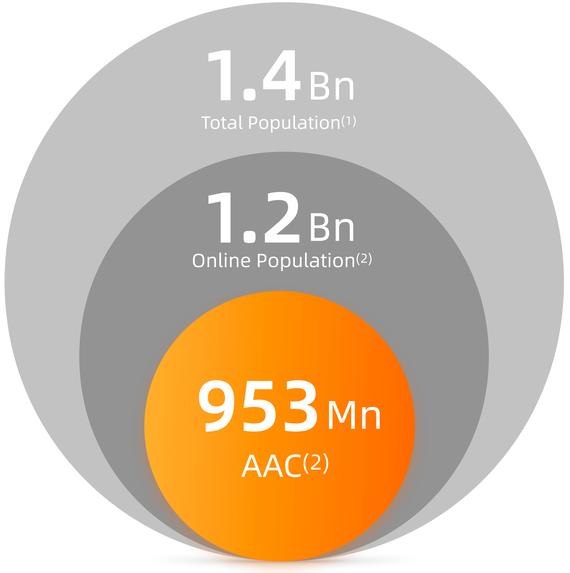


# Our Growth Opportunities

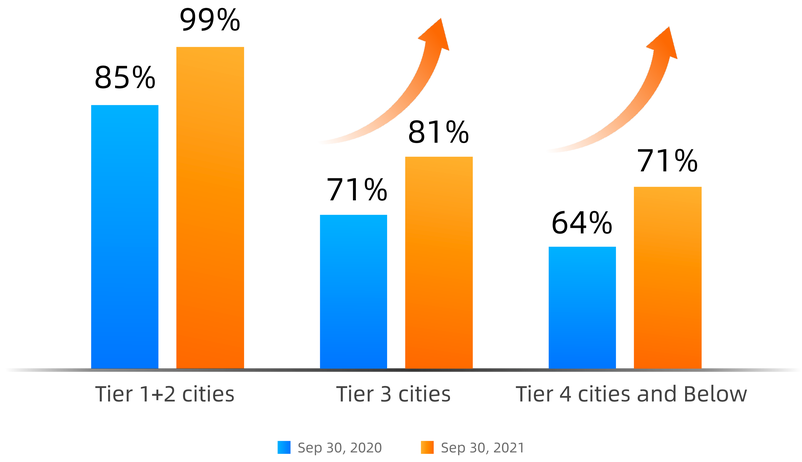


# User Growth Opportunities in Less Developed Regions

## Consumer Base in China

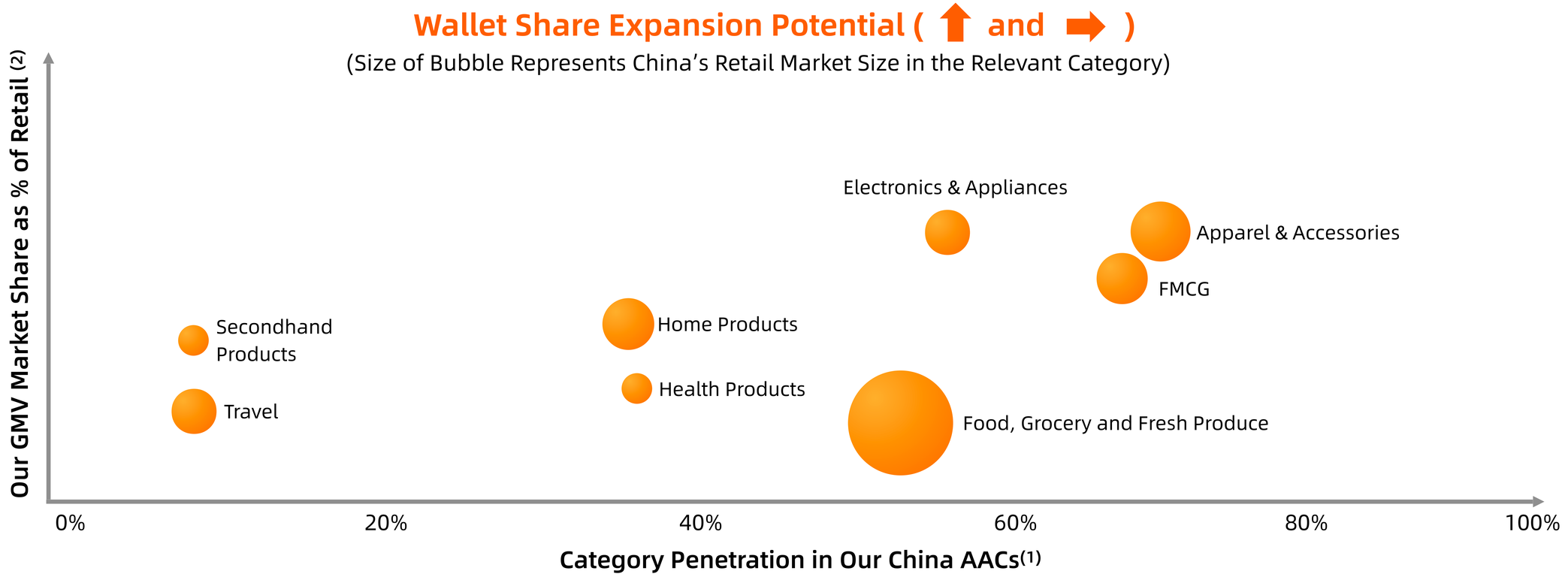



## Alibaba AAC Penetration as % of online population in China(3)




Notes:
1. Source: NBS, 2019.
2. Online population based on QuestMobile monthly active user data for Chinese Internet users in September 2021.
3. Alibaba China AAC as percentage of online population for the twelve-month period ended September 30, 2020 and September 30, 2021, respectively.

# Share of Wallet Expansion Opportunities in Category Cross-Selling

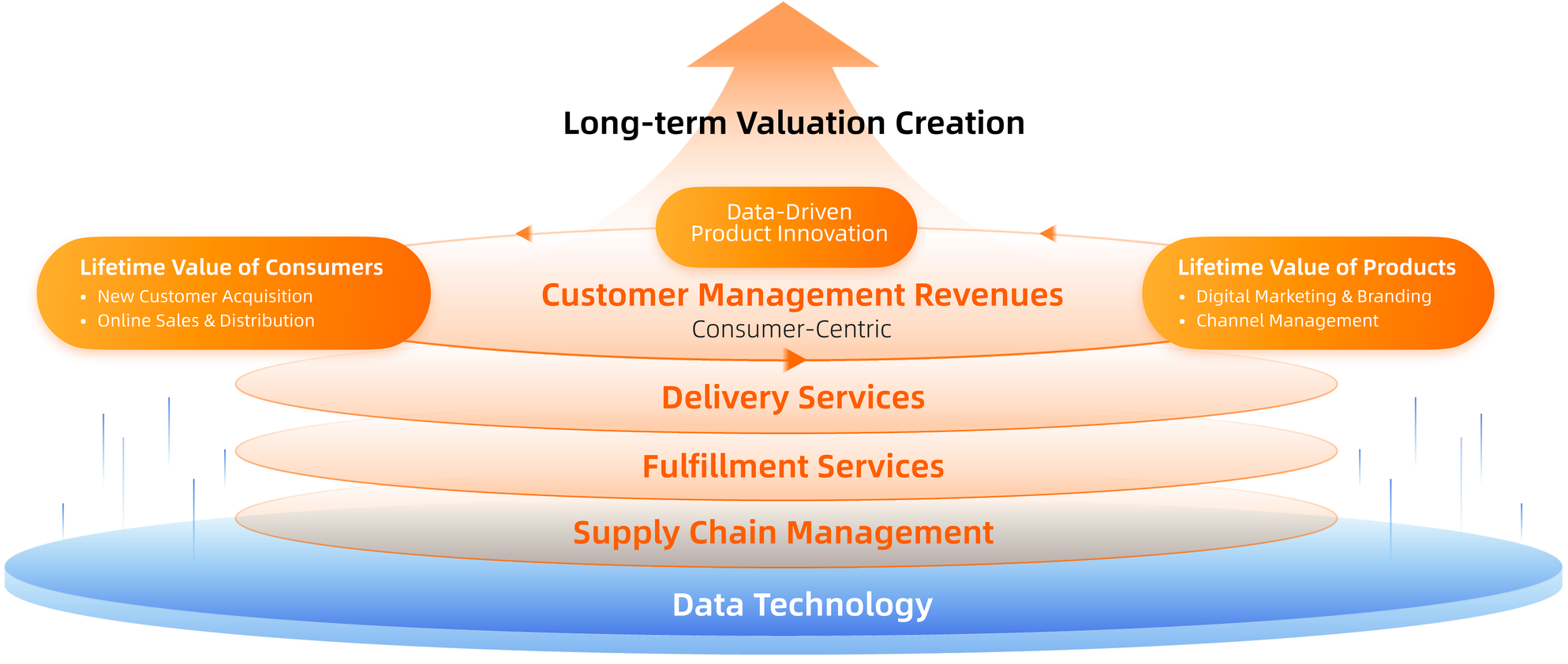



Source: Internal estimates and market research

Notes:

1. Represents our AACs for the respective categories as % of our total China AACs.
2. Represents our estimated GMV market share as % of the retail market size (both online and offline) of the relevant categories in China.

# Value Creation Opportunities in Innovations Across Consumer Value Chain



# Location-Based Consumer Services Serving Daily Demands to Home and to Destination

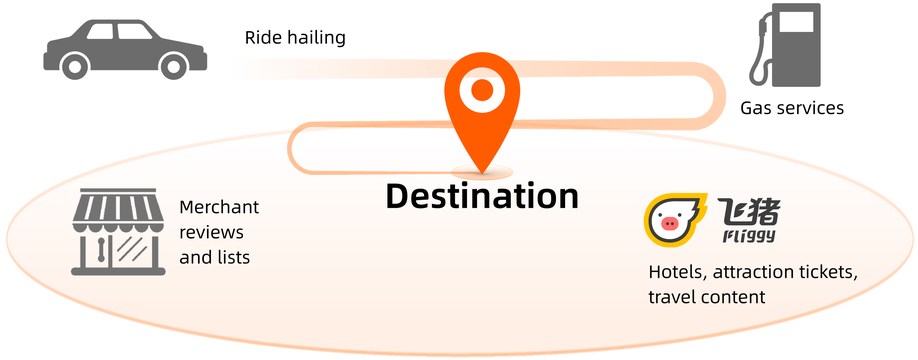
## To Home

Comprehensive Products and Local Services for High-Frequency Categories Delivered to Home

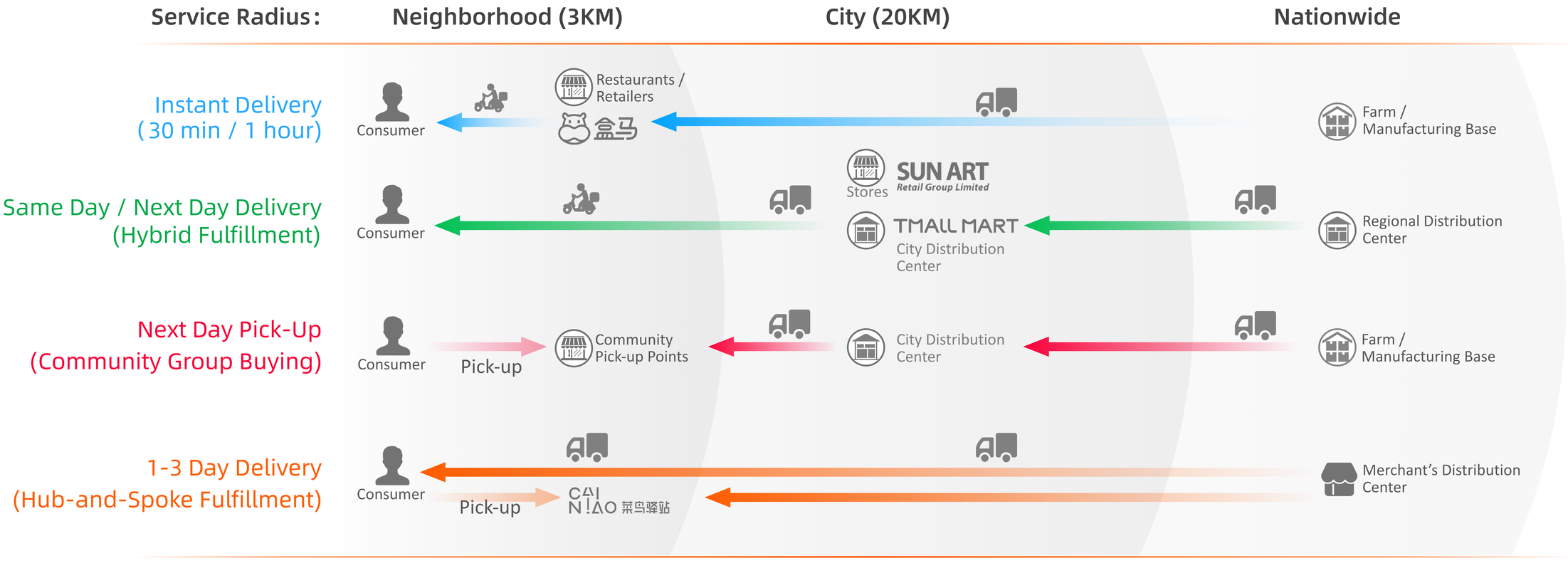



## To Destination

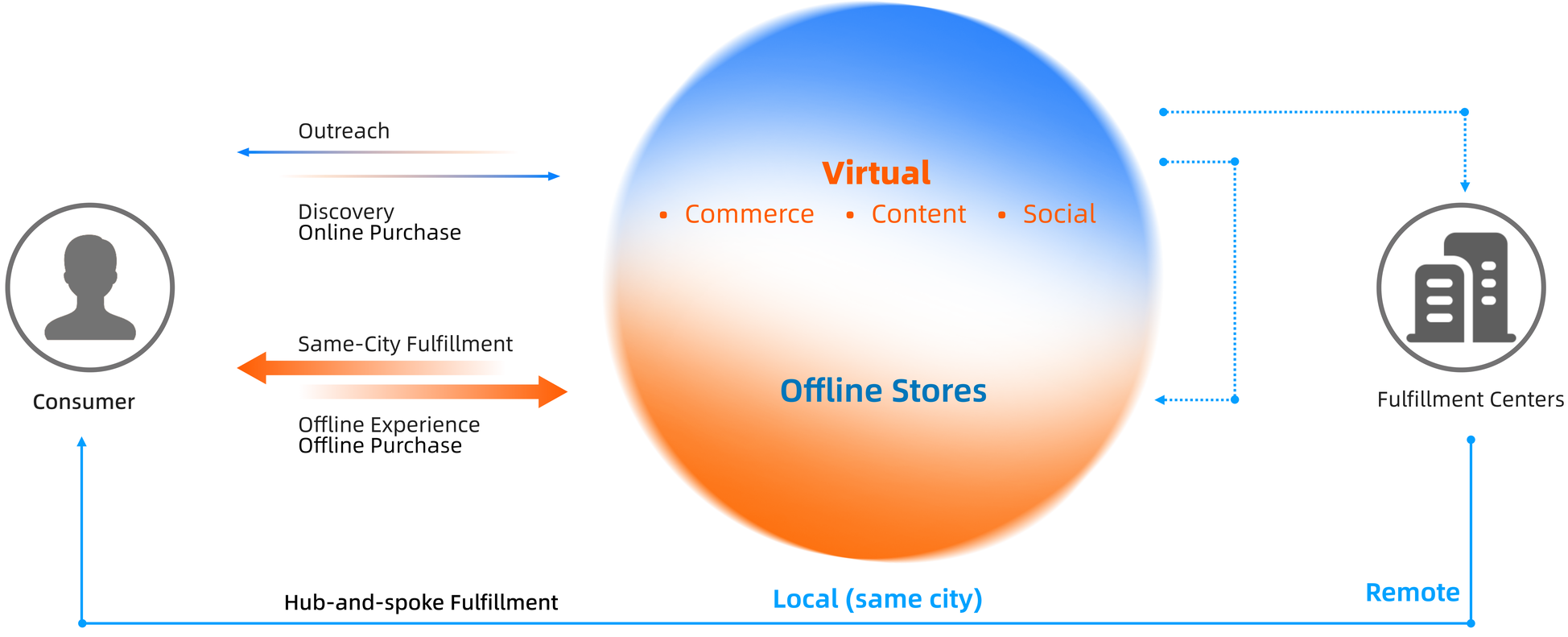
Service Discovery and Purchases Near the Destination and Along the Journey



# Multi-Format New Retail Infrastructure Built on Diversified Fulfillment Models



# The Future of Retail: Omni-Channel Experience Built on Digital Supply Chain and Location-based Fulfillment



# Three Strategic Engines

01 | China Consumption

内需消费

02 | Globalization

全球化

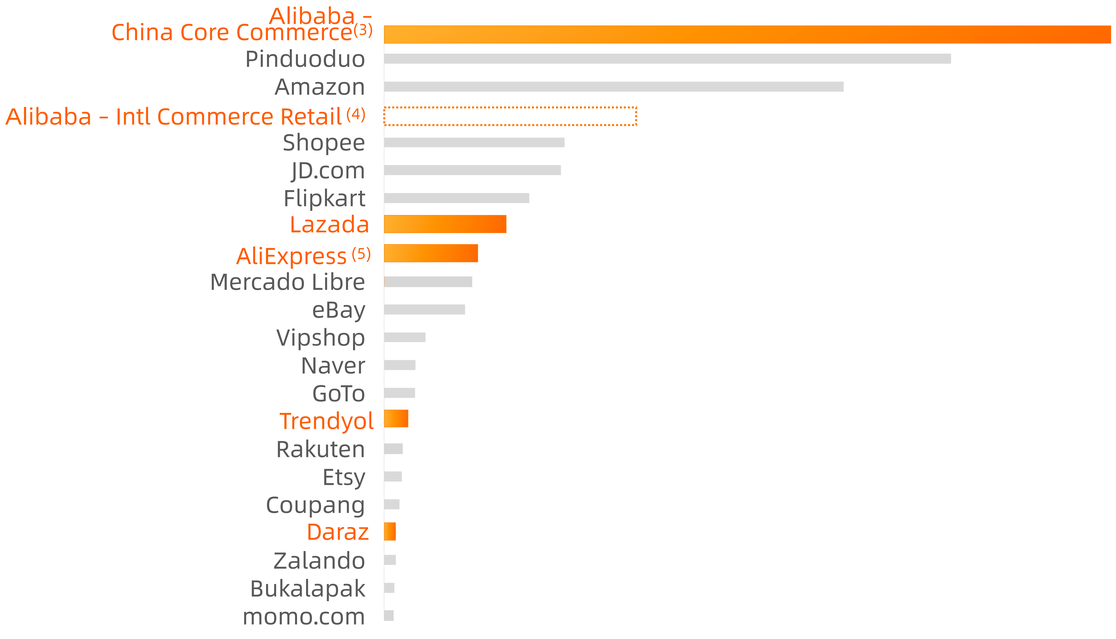
03 | Technology

高科技

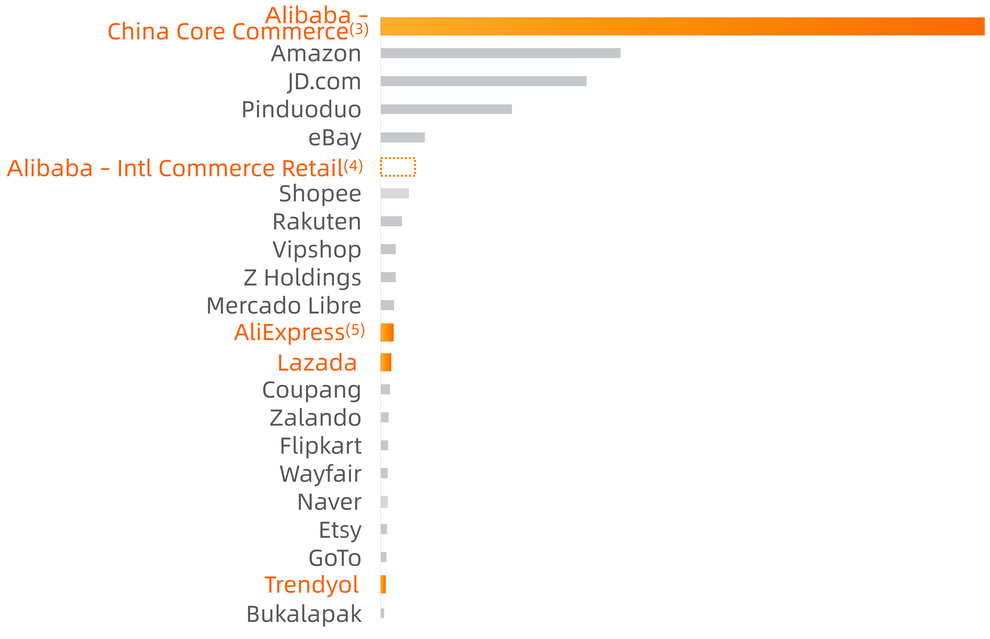
# Our International Retail Business Ranks #4 by MAU and #6 by GMV Among the Global eCommerce Players

Global eCommerce Platforms Ranking (Sep 2021)

**Top 20 by MAU (1)**




**Top 20 by GMV(2)**

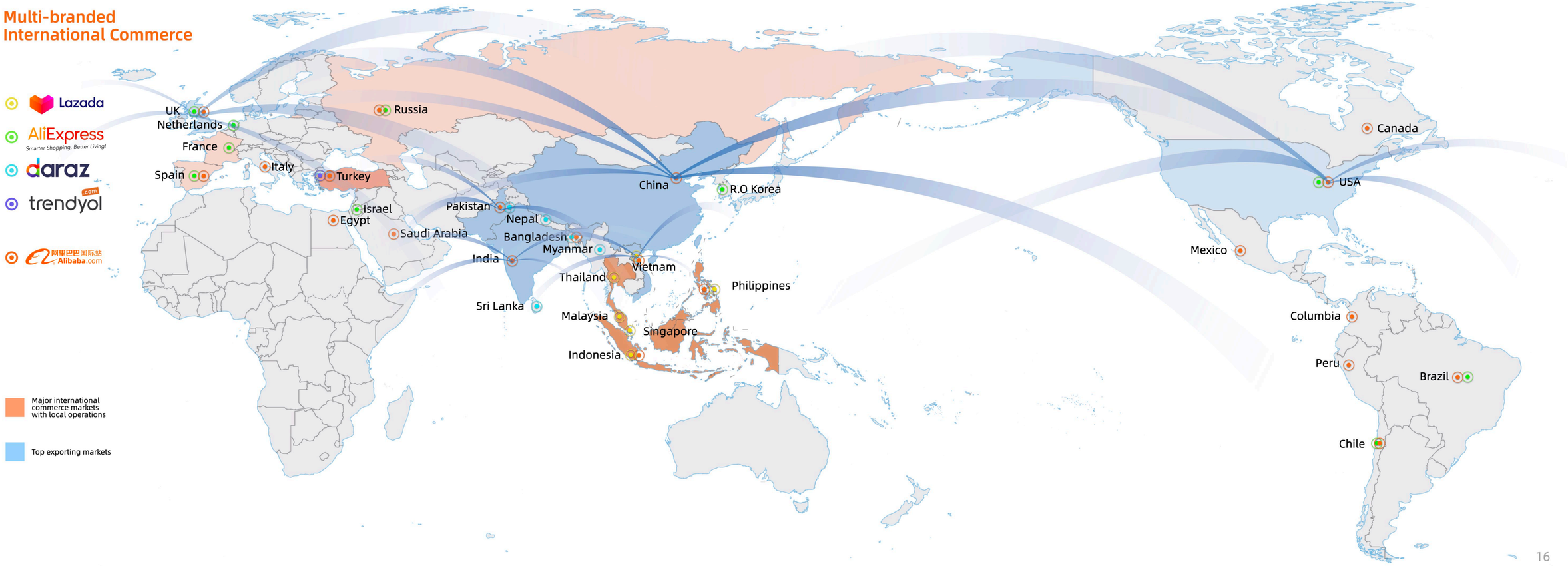



Source: Internal data for Alibaba businesses; Other data based on public filings, third-party estimates and market research

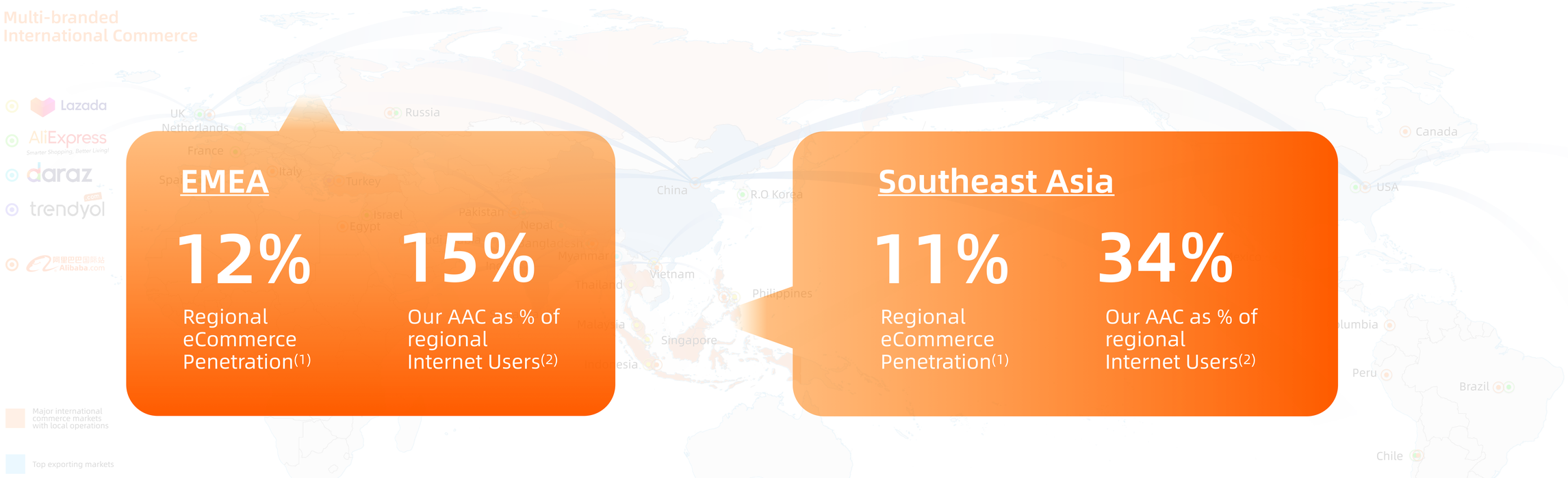
Notes:

1. Represents app monthly active users for the month of September 2021.
2. Represents GMV for the latest available twelve-month period. Data for Alibaba businesses are based on effective GMV for the twelve months ended September 30, 2021.
3. Alibaba China Core Commerce business includes our China Retail Marketplaces and New Retail Initiatives.
4. Alibaba International Commerce Retail numbers are the aggregate total of Lazada, AliExpress (including AliExpress Russia), Trendyol and Daraz, without deduplication.
5. Including AliExpress Russia.

# Organizing Global Supply to Serve International Consumers and Merchants



# Our Penetration in the Market Is Still Low




## EMEA

**12%**
Regional eCommerce Penetration(1)

**15%**
Our AAC as % of regional Internet Users(2)

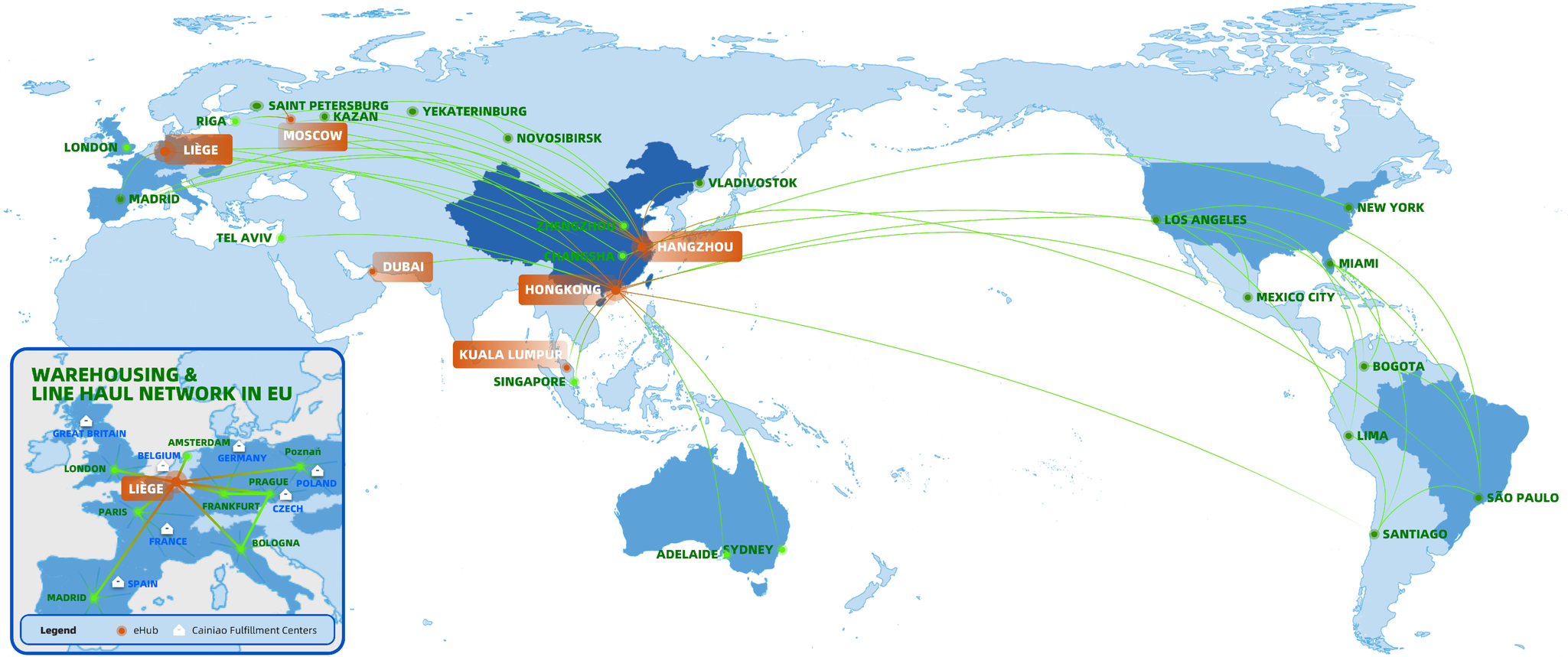
## Southeast Asia

**11%**
Regional eCommerce Penetration(1)

**34%**
Our AAC as % of regional Internet Users(2)

Source: Internal estimates and market research
Notes:
1. eCommerce penetration is based on market research estimate of the region's online retail market size as % of total retail.
2. AAC penetration is calculated based on Alibaba international retail business' AACs for the region as % of the region's Internet users.

# Our Global Smart Logistics Infrastructure



# Three Strategic Engines

01 China Consumption

内需消费

02 Globalization

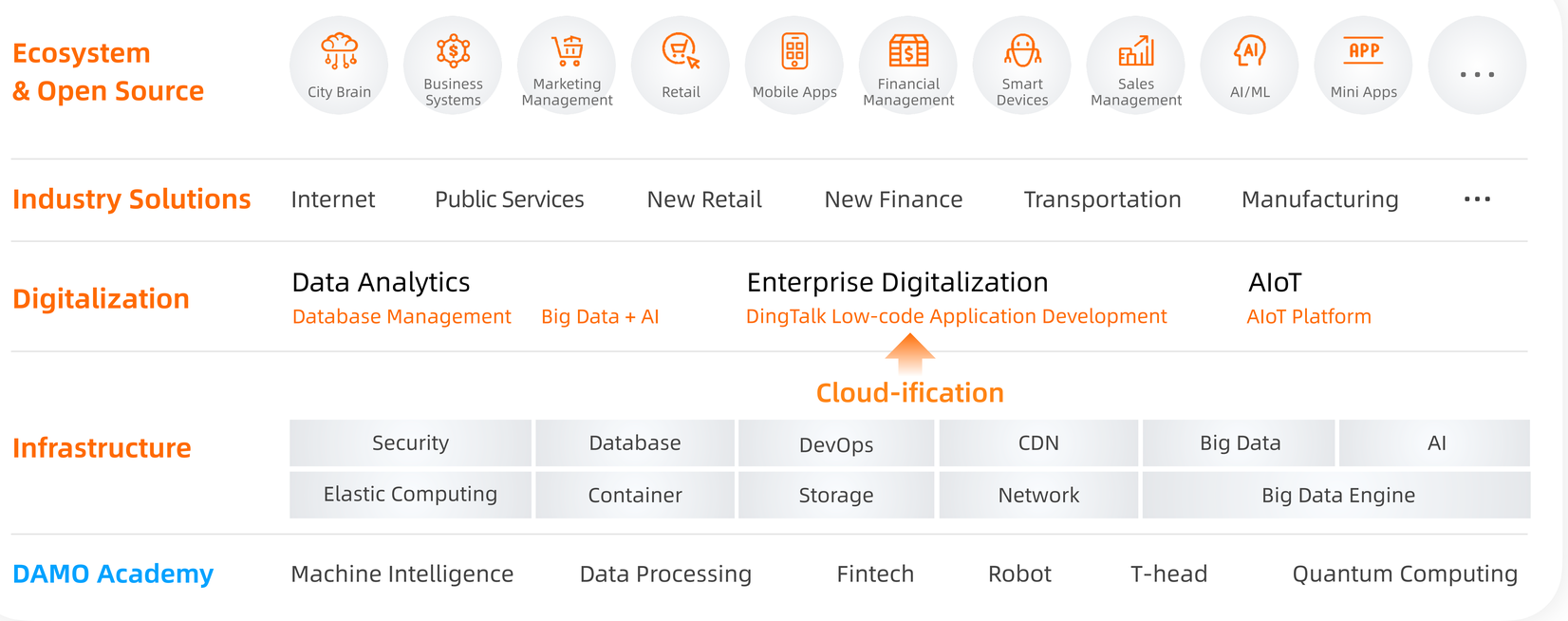
全球化

03 Technology

高科技

# Redefining Cloud Computing in China

**Cloud Computing as Defined by Alibaba Cloud**



# Investing in Technologies for the Future

## Developing World-class Proprietary Technology



# Investing in Technologies for the Future – Case Studies

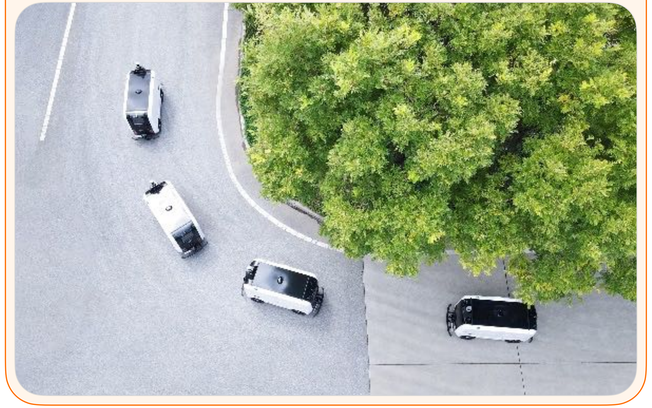
## City Brain

Improving Transportation Efficiency
With Artificial Intelligence



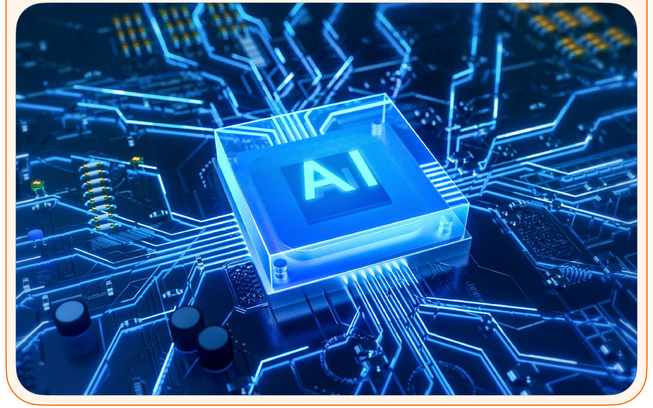
## Autonomous Robots

1/3 Cost vs Industry Average
Last Mile Delivery of 1mn+ Orders Completed



## Cognitive AI

World's Largest AI Pre-Training Model
Ultimate Low Carbon and High Efficiency



# Our ESG Strategy and Goals

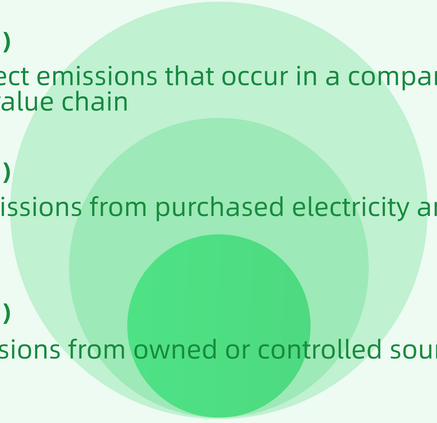
## Environmental Strategy: Neutralize / Reduce Carbon Emissions

**Scope 3+(2)**
Emissions from participants in the digital ecosystem

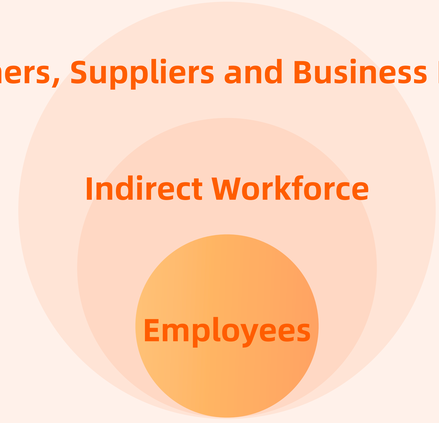
**Scope 3(1)**
Other indirect emissions that occur in a company's corporate value chain

**Scope 2(1)**
Indirect emissions from purchased electricity and heating

**Scope 1(1)**
Direct emissions from owned or controlled sources



## Social Strategy: Increase Stakeholders Impact

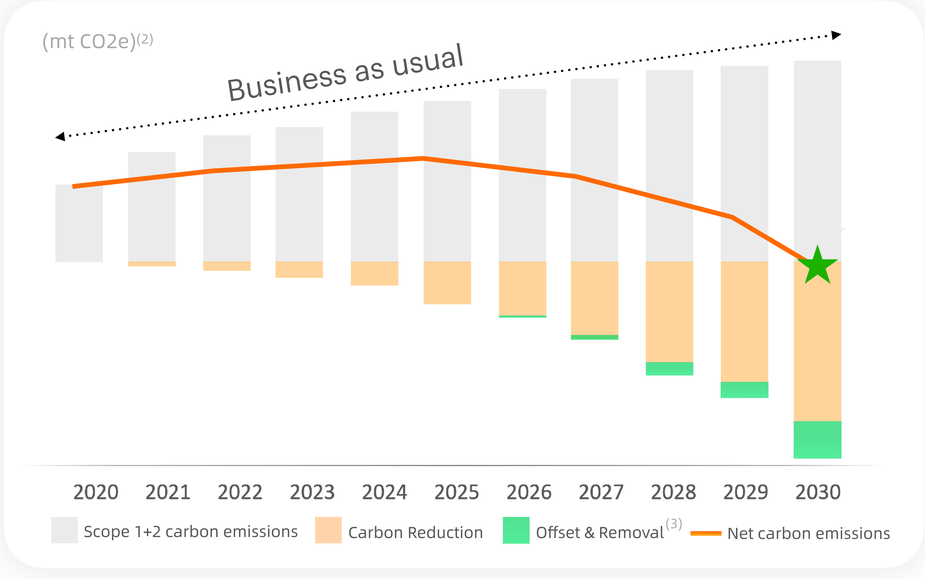



## Governance Structure to Enhance Sustainability

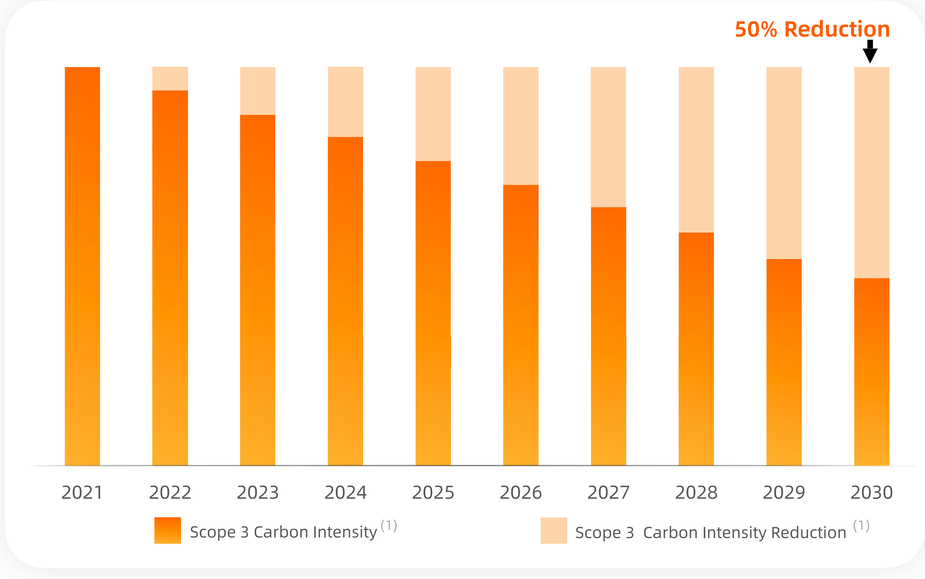
Notes:
1. Scope 1, 2 and 3 are defined by global Greenhouse Gas ( "GHG" ) Protocols. Scope 1 includes direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from purchased electricity, steam, heating, and cooling. Scope 3 includes upstream and downstream emissions of the organization's activities, such as emissions from purchased products and services, emissions from the use of the products the organization sells, employee commuting ,business travel and others.
2. Scope 3+ is a new concept we plan to introduce as a digital ecosystem, covering all the emissions from the ecosystem participants' activities on the platform.

# Environmental Strategy: Neutralize / Reduce Carbon Emissions (Scope 1, 2 & 3)

## Scope 1 + 2 Target:
Carbon Neutrality by 2030



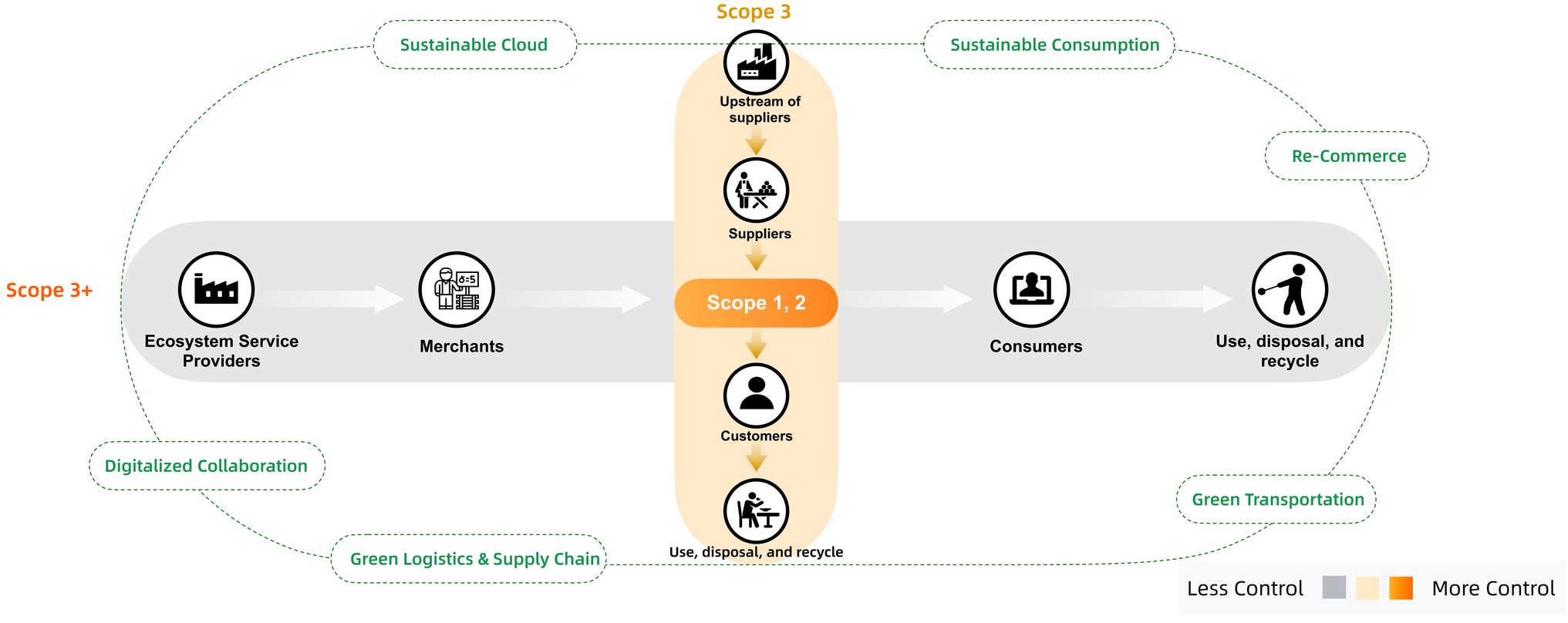

## Scope 3 Target:
Carbon Intensity(1) Halved;
Alibaba Cloud Carbon Neutrality by 2030




Notes:
1. Carbon Intensity = Carbon emission in mt CO2e / Gross revenue in $ million
2. mt CO2e: metric ton carbon dioxide equivalent, a term for describing different greenhouse gases in a common unit.
3. Offset mainly indicates buying carbon credits form carbon trading market to compensate for emissions. Removal is a process in which greenhouse gas is removed from the atmosphere and sequestered almost permanently. Its methods include afforestation, agricultural practices that sequester carbon in soils, bio-energy with carbon capture and storage, ocean fertilization, enhanced weathering, and direct air capture when combined with storage.

# Environmental Strategy: Introduce and Implement “Scope 3+” as a Novel Emission Category Reflecting Our Platform Responsibility

## Our Scope 3+ Target: To Facilitate 1.5 Gigaton of Our Ecosystem Decarbonization by 2035



# Social Responsibility: 10 Initiatives Aligned with UN Sustainable Development Goals

| Our Focus Areas | Technology Innovation | Economic Development | Job Creation, Training & Support | Care for Vulnerable Groups |
|---|---|---|---|---|
| Our 10 Initiatives | **1.** Increase investments in technology to support the digitalization of underdeveloped areas; | **2.** Support the growth of micro, small and medium-sized enterprises;<br><br>**3.** Support the industrialization of the agricultural sector;<br><br>**4.** Support small and medium-sized enterprises to expand into new overseas markets; | **5.** Support high-quality employment and job training;<br><br>**6.** Improve the welfare of gig economy workers; | **7.** Promote digital equality between urban and rural areas;<br><br>**8.** Narrow digital divide and strengthen services for vulnerable populations;<br><br>**9.** Enhance healthcare capability in less developed areas; |
| | **10.** Establishment of a RMB 20 billion development fund | | | |
| Aligned with UN Sustainability Goals | ✓ Decent work and economic growth<br>✓ Affordable & clean energy<br>✓ Industry innovation and infrastructure | ✓ Responsible consumption and production<br>✓ Zero hunger<br>✓ Partnership for the growth | ✓ Decent work and economic growth<br>✓ Quality education | ✓ Reduced inequalities<br>✓ Good health and wellbeing<br>✓ Sustainable cities and communities |

# Our ESG Strategy and Goals - Recap

## Environmental Strategy: Neutralize / Reduce Carbon Emissions

**Scope 1+2[1]**
Carbon Neutrality by 2030

**Scope 3[1]**
Carbon Intensity Halved; Alibaba Cloud Carbon Neutrality by 2030

**Scope 3+[2]**
Facilitate 1.5 Gigaton of Our Ecosystem Decarbonization by 2035

## Social Strategy: Increase Stakeholders Impact

- Technology Innovation
- Economic Development
- Job Creation & Training
- Care for Vulnerable Groups

## Governance Structure to Enhance Sustainability

Notes:
1. Scope 1, 2 and 3 are defined by global Greenhouse Gas ( “GHG” ) Protocols. Scope 1 includes direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from purchased electricity, steam, heating, and cooling. Scope 3 includes upstream and downstream emissions of the organization’s activities, such as emissions from purchased products and services, emissions from the use of the products the organization sells, employee commuting ,business travel and others.
2. Scope 3+ is a new concept we plan to introduce as a digital ecosystem, covering all the emissions from the ecosystem participants’ activities on the platform.

# Our Vision Remains the Same

**FY2036 Long-term Vision**

**2 Bn**
Consumers

**100 Mn**
Job Creation

**10 Mn**
Profitable SMEs


To Make It Easy To Do Business Anywhere
让 天 下 没 有 难 做 的 生 意
Alibaba